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THE REAGAN FOLLIES

WE AIN'T SEEN NOTHING YET

BY MICHAEL KRAMER

RONALD REAGAN HAD THE choice of labeling himself a liar or an incompetent. He could have admitted what most people suspect—that he knew and approved of the plan to use the ayatollah's money to fund the rebels in Afghanistan, Angola, and Nicaragua—the latter diversion an apparent violation of both the spirit and the letter of federal law.

But the president has stood firm. "You can tell them flat out," Reagan instructed his press secretary last week, "that I had no knowledge whatsoever of [the diversion of funds] until Ed Meese briefed me on it."

In pleading ignorance, Reagan has branded himself an incompetent: If he didn't know, he should have known. And perhaps, just perhaps, he is telling the truth. As the most disengaged president in recent history, Reagan may not have known what was done in his name. Or he may have been told and forgotten. In *this* president's case, it may be fair to change the classic question (popularized during Watergate) to "What did Reagan forget, and when did he forget it?"

Reagan, after all, is the chief executive who prefers one-page memos, the president who works nine to five (except on Wednesdays, when he takes the afternoon off); the glad-hander most at home at the ceremonial functions other politicians abhor; the man who can't wait till three o'clock on Friday, so he can split to Camp David for the weekend.

And despite his actor's training, the vehemence of Reagan's denials (and the absence of squinty eyes) suggests a truth-teller. Blaming the press and characterizing a scandal of his own making as a "Beltway bloodletting" are not the calculated cracks of a besieged president eager for media leniency.

But if Reagan did know—if he's covering up (which is what the polls say most Americans believe)—then the president is headed for an even bigger fall. If, to borrow Reagan's favorite phrase, we "ain't seen nothing yet" (and the daily disclosures seem to say we ain't), then the appointment of a special prosecutor and a new national-security adviser—and even an entire new Cabinet and White House staff—won't prevent the Reagan presidency from becoming permanently crippled.

It's the cover-up—or, to be fair, given the evidence thus far, the *presumed* cover-up—that reminds one of Watergate. And if some latter-day John Dean comes forward to say, "Yes, I was in a meeting when the president signed off on our neat plan to get Khomeini to pay for the *contras*," then, as Yogi Berra once said, Reagan will be pilloried for having made the "wrong mistake." Poor policy is one thing. Lying about its pursuit is quite another.

IT'S TOO EARLY TO SAY WHERE the truth lies, but already much of the administration's story strains credulity. Is there anyone who believes that a Marine lieutenant colonel known for following orders designed so grand and complex a scheme single-handedly and on his own initiative? Already the CIA has been reliably accused of managing the Swiss bank account from which the rebels drew money—a contradiction of the attorney general's assurances and a contravention of the law forbidding American military support for the *contras*. Already H. Ross Perot has said that the administration used him in a futile effort to ransom the hostages—a straightforward breach of the president's stated policy, if not also a violation of the law. Already Oliver North is reported to have told a church audience that he briefed the president about Central America and terrorism twice weekly, and that would seem to undermine Reagan's claim of ignorance.

So this looks and smells like Watergate, and much of the press—its investigative muscles atrophied since Richard Nixon's collapse—is treating Iran as it did that old "third-rate burglary." But there are important differences between the Iran affair and Watergate, and even if Reagan is eventually judged a liar, those differences will likely spare him Nixon's fate.

Watergate was an exercise in personal

selfishness: politicians set on subverting the system to perpetuate themselves in power. At its worst, Iran seems "only" a colossal misjudgment: politicians so confirmed in their policy and worldview that they would flout the law in the mistaken belief that history would absolve their overreaching as the Sandinista menace became clear.

Stupidity is not necessarily corruption. But it becomes corruption when a cover-up occurs. An implicit bargain was struck after Watergate. Bad policy, foolishly conceived and clumsily executed, would perhaps be punished by retiring its sponsors—at election time. But true disdain (and possibly impeachment) would be reserved for those leaders who lied about their folly and then obstructed those charged with uncovering the truth.

Ronald Reagan is on the edge. Last week's damage-control moves are a step in the right direction, but it's hard to see how Reagan's predicament will improve before it gets worse.

As the drama plays out, how should a reasonable person sift through the most recent disclosures and speculation?

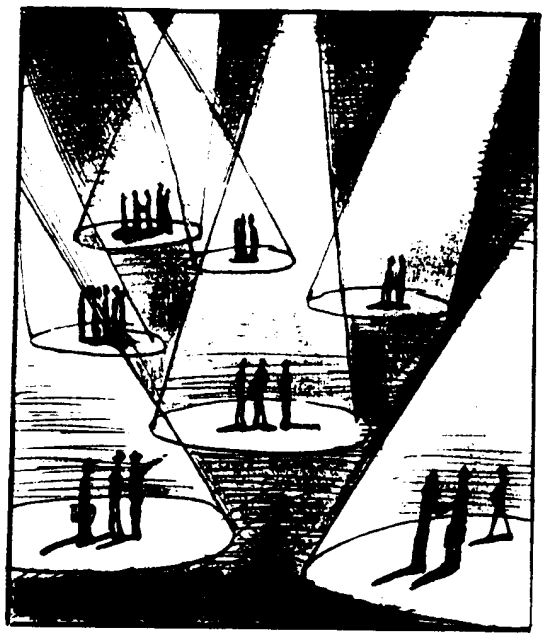
What Happened? The nation is *still* waiting for a structured and coherent explanation from its president. In a crisis of confidence, recapturing credibility requires telling the truth and telling it quickly. The road back, says Henry Kissinger, demands that "whatever will come out eventually . . . come out immediately."

No doubt, at this point, *any* Reagan story would be greeted skeptically. But it is in the president's interest to be his own investigator. If he didn't know about the *contra* connection, he should have gotten to the bottom of the story by now. He should have hauled in the relevant players—North, Poindexter, and whoever else may have been involved—wrung the truth from them, and then gone public with what he had learned.

Performing as if he were truly outraged wouldn't stave off the inevitable congressional investigations. But anytime the country learns a new fact from the press instead of from the president, it is bad news for Ronald Reagan.

The president has taken a different tack. He has thrown the ball to Congress, saying, "We will cooperate fully with [its] inquiries," and adding, "I have already taken the unprecedented step of permitting two of my former national-security advisers to testify before a committee of Congress."

The problem, of course, is that those two advisers have refused to follow the boss's injunction. Oliver North's first act, reportedly, was to shred documents presumably relevant to the Iran affair—a move Gordon Liddy says he can "relate to." Then, in full Marine regalia, North told the Senate Intelligence Committee that he wouldn't answer its questions. North took the Fifth Amendment—a course John Poindexter chose, too. Both are said to be ready to sing if granted immunity, but neither has sung yet.



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Step back from the story as we know it so far—from the president's failure to establish and reveal the truth he claims not to have known in advance, and from the sorry spectacle of his deputies clamming up before Congress. The word that comes to mind is familiar: "stonewall."

Why Did It Happen? During Vietnam, J. William Fulbright coined the term "arrogance of power." The Iran fiasco represents what appears to be an "arrogance of popularity," an administration seduced by a landslide victory into thinking it could do no wrong. Whatever the underlying reason for Ronald Reagan's making a mockery of his own rules, a scapegoat has already been identified. A rogue National Security Council staff is being blamed for the mess, and the Tower commission has been convened to fix it.

With a 60-day deadline and without subpoena power, Tower's group will surely offer two tame and obvious suggestions—that the NSC confine itself to offering advice, and that it never act as the president's private army.

After the Tower commission makes that report, the Congress will just as surely try to go further. The NSC is protected by executive privilege; it is secretive, immune to congressional oversight, and, generally, leakproof. The Congress likes none of this. Some members will probably urge that the national-security adviser be subject to Senate confirmation. Others will recommend that the council itself be downgraded or even abolished. Any such changes would be tragic.

The NSC was established in 1947 because the Congress realized that foreign policy was more than simply the sum of diplomacy and international economic relations. Its unstated purpose has always been to ensure that the State Department be unable to undertake a new policy initiative without a presidential decision. And some White House office must be responsible for objectively analyzing the often competing views of the State Department and the defense and intelligence communities. In short, the NSC helps the president to *set*, rather than merely preside over, foreign policy—and it then hangs around to monitor compliance.

As an institution, the NSC should be left alone. In management vernacular, the problem isn't the office, it's the people.

The Rolling Heads: THE president, said Senate Republican leader Bob Dole last week, "feels he has already cleaned house." If Reagan really thinks his removal of North and Poindexter has solved his problems, he will be ill-served for the remainder of his term. (And if North is the "national hero" Reagan says he is, the president shouldn't have fired him. Or was Reagan praising North in order to ensure his silence?)

Two others who should go are William Casey and Donald Regan. As the director of Central Intelligence, Casey has long tangled with Congress, and by all accounts, his Iran testimony has satisfied no one. Pat Moynihan expressed the common senti-

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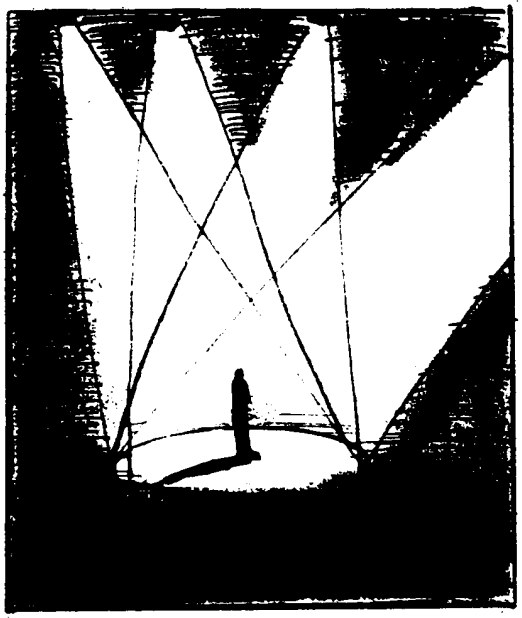
ment: "I can't believe what I heard," he said after Casey appeared before Congress two weeks ago. "And I don't."

If, in addition to deceiving Congress, Casey didn't tell even the president about the CIA's secret rebel bank account in Switzerland, he must be retired. But even if Reagan was informed, Casey is a liability. The intelligence agencies need the trust of Congress to operate effectively. Casey's remaining at his post and congressional trust are mutually exclusive.

Don Regan, the White House chief of staff, has proved his loyalty—to himself. In his now-famous analogy—"Does a bank president know whether a teller is fiddling around with the books?"—Regan revealed why he is unfit to serve. In the first place, the bank president *should* know. And by saying that the NSC doesn't report to the chief of staff but to the president, Regan was covering his own butt as he gave up Reagan's.

To toy with Regan's other famous line, the chief of staff is not only responsible for cleaning up after the parade, he shares responsibility for the parade itself. For seeking to shirk it, Regan should be banished.

The Republican right is out to get George Shultz. Reagan's conservative cronies have never liked the moderate secretary of state, and since Shultz has distanced himself from Iran, they like him even less. But Shultz has credibility, and few others do. For this reason alone, he should stay. Elliot Richardson, who quit as Richard Nixon's attorney general rather than obey the president's order to sack the Watergate special prosecutor, offers Reagan the correct stance. The president, says Richardson, should realize that "at least I've got one guy who told it to me straight the first time, and I'm sorry I didn't listen to him."



Even if he was ignorant of the *contra* money, why hasn't Reagan wrung the truth from the relevant players?

The Middle East Connections: In a nifty attempt to deflect the *contra* issue, the president has pointed a finger at Israel. "Another country was facilitating those sales of weapons systems," Reagan told *Time* last week. "They then were overcharging and were apparently putting the money into bank accounts of the leaders of the *contras*. It wasn't us funneling money to them. This was another country." No one believes that Reagan's "other country" was a country other than Israel.

In Jerusalem, the Israelis have denied knowledge of the *contra* connection, and so far criticism has instead focused on the fact that too few ministers knew of Israel's role as middleman in the sale of American arms to Iran. Israeli complicity in the *contra* "piece" may yet be proved, but a senior Israeli official argues persuasively for Israel's ignorance: "We know that the Congress and the president are at odds on the *contras*. And we need the goodwill of Congress as much as we need the president's support. To insert ourselves between them would be crazy."

The Saudi role is at least as intriguing as Israel's. Typically, the Saudis are again revealed as hedging *all* their bets in the region. They are financing both sides in the Iran-Iraq war, and the New York *Times* reports that in return for the Reagan administration's sale of AWACS aircraft to Riyadh, the Saudis have helped fund Washington's favorite rebels, including the *contras*.

Syria is the only clear winner in the Iran fiasco. By causing a Lebanese paper that it controls to break the story of America's dealings with the ayatollah, Syria has successfully diverted attention from its role in the attempted bombing of an El Al jet in London.

The Political Winners and Losers: Vice-presidents command national-television time when they're in trouble. The first was Richard Nixon, whose "Checkers" speech calmed an outcry over his campaign finances and cemented his place as Dwight Eisenhower's 1952 running mate.

The most recent is George Bush. After lying low for two weeks, the veep walked a fine line last week. In a modified-limited hang-in, Bush managed to support his president while admitting that the administration's "credibility has been damaged" and that "mistakes have been made." Bush undoubtedly scored points with the GOP's rank-and-file leaders, but his 1988 prospects will still rise or fall with the voters' final assessment of Reagan's presidency—or a finding that Bush lied about being in the dark with respect to the diversion of funds for the *contras*.

Bob Dole is a curious case. At the beginning of the Iran mess, Dole distanced himself from Reagan by urging a Watergate-style congressional investigation. The press was delighted, but Republican leaders were distraught. "Now's not the time to cut and run," said one midwestern GOP state chairman. "Dole may have made himself more attractive for general-election purposes, but he's alienating the party activists who select the nominee."

But now Reagan himself has embraced Dole's idea. What does this do to Dole's presidential ambitions? It probably sends him back to square one, which means that the best way to figure Dole's chances—and Jack Kemp's, too—is to keep an eye on Bush. It's still Bush's nomination to lose.

All Democrats get a lift from the current crisis—that's just the way politics is.

There is one clear loser after Iran—a Republican. "The last thing we needed in the middle of the Old Man's rehabilitation campaign," says a close friend and adviser to Richard Nixon, "is for the people to be getting a refresher course in Watergate."

AS CHRISTMAS COMES around, Iran$cam may well recede. But the Democrats will control the next Congress, and the special investigating committee they empower will start fresh in January. And if, as seems likely, that committee's deliberations are televised, the administration will be seen sweating in public. Which will make for good viewing, and roil our politics even further. The danger, as with Watergate, is a paralyzed government. But until the whole truth is known, that is where we are headed. ■